PBA HOLDINGS BHD.

Registration No. 200001012513 (515119-U)
(Incorporated in Malaysia)

Minutes of the Twenty-Sixth Annual General Meeting ("**26th AGM**" or "**Meeting**") of PBA Holdings Bhd. ("**PBAHB**" or the "**Company**") held at Hotel Jen, Magazine Road, 10300 George Town, Penang on Tuesday, 16 June 2026 at 10:00 a.m.

DIRECTORS	**:**	YAB Tuan Chow Kon Yeow, Non-Independent and Non-Executive Chairman – Chairman of the Meeting ("**YAB Chairman**")
		YB Dato' Dr. Mohamad Bin Abdul Hamid, Non-Independent and Non-Executive – Deputy Chairman
		YB Dato' Seri Haji Zulkifli Bin Long, Non-Independent and Non-Executive Director
		YB Dato' Haji Zairi Bin Haji Mat Ali, Non-Independent and Non-Executive Director
		Tuan Haji Fadzil Bin Hj. Abdullah, Non-Independent and Non-Executive Director
		YBhg. Dato' Agatha Foo Tet Sin, Non-Independent and Non-Executive Director
		YBhg. Dato' Brian Tan Guan Hooi, Independent and Non-Executive Director, and the Chairman of the Audit and Risk Management Committee
		Puan Nor Hatina Binti Md Salleh, Independent and Non-Executive Director
		Encik Lim Eng Huat, Independent and Non-Executive Director
		Cik Lim Seang Lee, Independent and Non-Executive Director
		Yang Mulia Raja Azmi Bin Raja Nazuddin, Independent and Non-Executive Director, and the Chairman of the Nomination and Remuneration Committee
		YBhg. Dato' Ir. Sabri Bin Abdul Mulok, Independent and Non-Executive Director
ABSENT WITH APOLOGIES	**:**	YB Tuan Zairil Khir Johari, Non-Independent and Non-Executive Director
BY INVITATION	**:**	YBhg. Dato' Ir. Pathmanathan a/l Krishnan Kutty Raman Nair, Group Chief Executive Officer of PBA Group of Companies ("**Group CEO**")
		Mr. Raymond Chong Chee Mon, representative from Messrs. KPMG PLT
IN ATTENDANCE	**:**	Ms. Felicia Low Seow Wei (Company Secretary)

PBA HOLDINGS BHD.

Company Registration No. 200001012513 (515119-U)
(Incorporated in Malaysia)

Minutes of 26th AGM held on 16 June 2026

SHAREHOLDERS, CORPORATE REPRESENTATIVES AND PROXIES	**:**	As per Attendance List

CHAIRMAN'S ADDRESS

YAB Tuan Chow Kon Yeow ("**YAB Chairman**") called the Meeting to order at 10:00 a.m. He welcomed all members present at the Meeting and thanked them for their attendance.

The YAB Chairman introduced the Board of Directors, the Group Chief Executive Officer, and the Company Secretary to the shareholders. He further informed the Meeting that the Non-Independent and Non-Executive Director, YB Tuan Zairil Khir Johari was unable to attend due he is currently overseas and conveyed his apologies.

QUORUM

With the requisite quorum for the Meeting being present in accordance with Regulation 74 of the Company's Constitution, YAB Chairman declared the Meeting duly convened.

NOTICE

The Notice convening the Meeting having been circulated within the prescribed period was taken as read.

CHAIRMAN'S NOTE ON THE COMPANY'S PERFORMANCE IN THE YEAR 2025

Financial Performance

The YAB Chairman presented an executive summary of PBA Group's financial performance for the financial year ended 31 December 2025 ("**FY2025**"). PBAHB's total revenue increased by 7.7% year-on-year, from RM527.60 million in FY2024 to RM568.44 million in FY2025, while profit before tax rose from RM149.34 million to RM157.36 million over the same period. However, profit after tax ("**PAT**") declined from RM144.17 million in FY2024 to RM114.55 million in FY2025, primarily due to a significant increase in tax expense following the Inland Revenue Board's (LHDN) determination in 2026 that PBAPP did not qualify for the reinvestment allowance under the PENJANA incentive for the Years of Assessment 2020 to 2024. Notwithstanding this, FY2025 marked the second consecutive year in which PBAHB recorded a PAT exceeding RM100 million. A final dividend of 2.75 sen per ordinary share for FY2025 was proposed, bringing the total dividend for the year to 5.00 sen per ordinary share, marking 2026 as the 25th consecutive year of dividend payment since the Company's listing in 2002.

Awards and Recognitions

The YAB Chairman highlighted that in 2025 and early 2026, PBAHB and PBAPP received 12 significant accolades from various third-party organisations. Notable awards included:

- The "Malaysia Water Award for Management 2025" from the Malaysian Water Association (MWA), for exceptional leadership in water supply management;
- The "Gold Award" in the Circular Economy and Water Reuse category at the Malaysia International Water Convention 2025, recognising PBAPP's innovative "Zero Waste Water Treatment Residue Recycling Project" at the Sungai Dua Water Treatment Plant. With this project, Penang became the first Malaysian state to successfully recycle water treatment residue, yielding an average of 25.4 million litres of recycled water per day;
- Two "The Edge Centurion Awards 2025" for the highest growth in PAT over three (3) years and highest returns to shareholders over three (3) years, from The Edge Media Group;
- An "AAA/Stable" rating from RAM Rating Services Berhad for PBAPP's RM5.0 billion Islamic Medium-term Notes Programme ("**Sukuk Programme**"), together with a "Gold Sustainable Finance" rating from RAM Sustainability Sdn. Bhd. for PBAPP's sustainable finance framework; and
- Inclusion in Bursa Malaysia's "Bursa Malaysia Quality 50 Index", in recognition of PBAHB's strong performance in profitability, capital structure and earnings quality.

Water Supply Infrastructure and Projects

On water supply infrastructure, YAB Chairman informed the Meeting that twelve (12) major water projects were to be implemented by 2031 under PBAPP's roadmap, with seven (7) PBAPP projects under the Water Contingency Plan 2030 ("**WCP 2030**") at a projected investment of RM2.10 billion, encompassing four (4) new water treatment plants, dedicated treated water pipelines from Sungai Dua to Bukit Dumbar, and a new build-operate-transfer ("**BOT**") plant at Sungai Kerian. Five (5) additional projects were being undertaken by the Federal Government at an estimated cost of RM838 million. YAB Chairman noted that Penang's water consumption in 2025 stood at 865 Million Liters per Day ("**MLD**") and was projected to reach 1,162 MLD or more by 2030, driven by ongoing industrial and property development in the State. He emphasised that water supply security remained the Company's foremost priority.

PROCEEDINGS AND VOTING PROCEDURE

The Meeting continued with the briefing on the proceedings and voting procedure.

The YAB Chairman informed the Meeting that, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions would be voted by poll. He exercised his right under Section 330 of the Companies Act 2016 ("**Act**") to demand a poll for all resolutions, reflecting the principle of one-share one-vote.

The Company appointed Messrs. Securities Services (Holdings) Sdn. Bhd. as Polling Administrator and Messrs. Commercial Quest Sdn. Bhd. as an Independent Scrutineer to verify the voting results.

The Chairman then invited the Company Secretary to brief shareholders on the electronic voting process before proceeding with the first agenda item.

ORDINARY BUSINESS

AGENDA 1: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The YAB Chairman announced that the first agenda item was to receive the Audited Financial Statements for FY2025 ("**AFS 2025**"), along with the Directors' and Auditors' Reports. He noted that the Annual Report 2025, including the AFS 2025, was circulated to all shareholders on 30 April 2026.

The Meeting also noted that formal approval from shareholders was not required for this Agenda pursuant to Section 340(1)(a) of the Act and hence, the AFS 2025 was not put forward for voting. The YAB Chairman declared the AFS 2025 be received.

Before the Meeting proceeded to the next agenda item as set out in the Notice of Meeting, the YAB Chairman responded to the following questions raised during the Meeting:

1. Penang's Long-Term Water Security and Diversification of Water Sources

Mr. Tan Beng Liang ("**Jackson Tan**"), the Corporate Representative of the Minority Shareholders Watch Group, raised the issue of Penang's long-term water security. He noted that Penang remained heavily reliant on Sungai Muda for its raw water supply and enquired whether the Board had a clear target and timeline to diversify its water sources and reduce this dependency. He also sought an update on the Perak Water Supply Initiative and whether it would materially strengthen Penang's long-term water security beyond 2030 and 2031.

The YAB Chairman thanked Mr. Jackson Tan for the question and acknowledged that it reflected the concerns of both the shareholders and the people of Penang regarding the State's long-term water security. His responded as follows:

(i) On the medium-term, the WCP 2030 projects announced earlier are expected approximately to increase Penang's water supply capacity by approximately 600 MLD by 2031. Several of these projects had already been completed or were under implementation, while others were currently under implementation or at various stages of planning and consultancy, and he expressed confidence that all WCP projects would be completed by 2031.

(ii) For the long-term strategy, the Company is in active negotiation with a consortium appointed by the Perak State Government to undertake the North Perak Water Scheme project. He explained that the project is intended to meet the future water requirements of Perak, including Northern Perak and a new industrial park to be developed by the Perak State Government, while also providing a long-term treated water supply to Penang. Under the proposed arrangement, Penang is expected to receive a minimum supply of 300 MLD of treated water commencing in 2031, subject to the timely implementation of the project. The project will involve transferring raw water from Sungai Perak over a distance of approximately 80 kilometres to Bukit Merah, where a water treatment plant will be constructed before the treated water is transmitted to the Penang border. Upon reaching the state boundary, the water will be received by the relevant authority, with the necessary distribution pipelines and storage reservoirs already planned to facilitate the supply.

The YAB Chairman further informed the Meeting that the proposed water supply agreement is expected to span a period of 40 years, from 2031 to 2070, with a guaranteed minimum supply of 300 MLD and the potential to increase the supply capacity to 500 MLD or more, depending on future demand. He noted that the proposed capacity is expected to meet Penang's long-term water requirements, although additional capacity may be required in the future should economic growth and population expansion continue. He emphasised that long-term planning is essential to ensure sufficient water resources are available before any shortage arises.

The YAB Chairman added that studies undertaken indicate that Penang could experience a water shortage by 2031 if the North Perak Water Scheme is not implemented. In view of this, preparatory work for the project had commenced in 2022. He informed the Meeting that negotiations on the commercial, technical and financial aspects of the project are progressing, and that the parties are hopeful of executing the definitive agreement by the end of the month, subject to the fulfilment of the relevant conditions and approval procedures. He further noted that a Memorandum of Understanding ("**MOU**") had been signed with the consortium appointed by the Perak State Government in November of the previous year and the MOU had since been extended to facilitate the completion of the negotiations.

2. High Per Capita Domestic Water Consumption, Public Awareness and Water Conservation Initiatives

Ms. Teh Su-Ching referred to the information presented on page 12 of the Annual Report 2025, noting that Penang recorded one of the highest per capita domestic water consumption rates in Malaysia. She expressed concern that, given Penang's limited water resources and its growing population, reducing per capita water consumption would be increasingly challenging. She enquired about the initiatives undertaken by the Company to educate and engage the public on the importance of water conservation, including whether there are ongoing public awareness campaigns, school outreach programmes, collaborations with relevant agencies and behavioural change initiatives to encourage more prudent water usage. She also highlighted the significant difference between Penang's per capita domestic water consumption of 267 litres per capita per day ("**LCD**") and Singapore's corresponding consumption of 132 LCD, emphasising the need for greater public awareness and conservation efforts.

The YAB Chairman thanked the shareholder for raising the important issue of per capita water consumption and acknowledged the balance that the Company must maintain between delivering returns to shareholders and encouraging consumers to conserve water. He informed the Meeting that the Annual Report 2025 provides a comparison of per capita domestic water consumption, noting that Singapore recorded an average consumption of 142 LCD, while the Malaysian average in 2024 stood at 225 LCD. He added that Penang's per capita water consumption remained higher than the national average, although the Company's water conservation efforts had begun to yield positive results.

The YAB Chairman informed the Meeting that the Company has been implementing various initiatives to reduce water consumption, including continuous public awareness campaigns and the promotion of water-saving devices. He further noted that water tariff adjustments also play a role in influencing consumer behaviour, as higher tariffs encourage more prudent water usage. He explained that these measures have contributed to a gradual reduction in Penang's per capita water consumption and that the Company is targeting a further reduction to 250 LCD in 2026 through its ongoing conservation initiatives.

The YAB Chairman acknowledged the inherent challenge faced by the Company in balancing shareholders' expectations for higher profitability and dividends with its responsibility to provide a reliable supply of water as an essential public service. He emphasised that, as the majority shareholder is the State Government, the Company has a duty to act in the best interests of the State and its consumers by promoting sustainable water management. He further noted that while dividend payouts in previous years may not have met shareholders' expectations, the improved financial performance and stronger management in the current financial year have enabled the Company to propose a higher dividend, reflecting its continued efforts to balance shareholder returns with its public service obligations.

3. Unscheduled Water Supply Interruptions, Ageing Water Infrastructure and Minimum Water Charges

Mr. Foo Kean Fong ("**Steven Foo**"), a shareholder, expressed concern over the frequency of unscheduled water supply interruptions and pipe bursts in Penang, citing several recent incidents where burst pipes had resulted in prolonged water leakages and delays in repair works. He remarked that, within a short period, multiple burst pipe incidents had occurred in the same locality and alleged that some leakages had remained unrepaired for several weeks. He urged the Company to accord greater priority to replacing ageing pipelines, particularly in areas that have experienced frequent water supply disruptions and repeated pipe failures. He also sought clarification on the status of the planned pipeline replacement project in Taman Sri Nibong.

Mr. Steven Foo further questioned the imposition of the minimum water charge on consumers with little or no water usage, citing examples of homeowners who were frequently away from Penang but remained subject to the minimum charge.

In addition, he suggested that the Company simplify its procedures for reporting water leakages, expressing the view that the existing reporting requirements, including the provision of photographs and detailed information, might discourage public from reporting leaks promptly. He urged the Company to strengthen its maintenance efforts and expedite the repair of reported leakages in order to minimise water losses and improve service reliability.

In response, the YAB Chairman acknowledged the shareholder's concerns and informed the Meeting that the Company recorded 632 unscheduled water supply interruptions in 2025 arising from incidents such as burst pipes. He added that the Company had also successfully prevented more than 4,800 potential pipe burst incidents through its monitoring and maintenance programmes.

The YAB Chairman explained that Penang's water distribution network comprises approximately 4,836 kilometres of pipelines, of which about 1,155 kilometres, or 23.9%, have been in service for more than 50 years. He highlighted that the replacement of ageing pipelines requires substantial financial resources, with the estimated cost of replacing one kilometre of pipeline amounting to approximately RM1.7 million. Based on the length of ageing pipelines requiring replacement, the total estimated cost would be approximately RM1.96 billion, which exceeds the Company's current financial capacity. Accordingly, pipeline replacement works are being undertaken progressively, with annual allocations of approximately RM20 million to RM30 million. The Company is targeting the replacement of approximately 60 kilometres of ageing pipelines between 2026 and 2028 as part of its ongoing infrastructure renewal programme.

The YAB Chairman acknowledged that ageing infrastructure, together with water stress in certain areas, contributes to issues such as pipe leakages, low water pressure and intermittent water supply, particularly in locations situated at the end of the distribution network or on higher ground. He informed the Meeting that the Company continuously monitors consumer feedback, including complaints received through various communication channels, and remains committed to improving service reliability. He added that the implementation of the WCP projects, including the additional 600 MLD water supply capacity and the construction of a dedicated 200 MLD pipeline to the southern region of Penang, is expected to alleviate many of these issues upon completion over the next few years.

With regard to the minimum water charge, the YAB Chairman clarified that the minimum tariff and charging mechanism are determined and approved by the *Suruhanjaya Perkhidmatan Air Negara* ("**SPAN**") and are applied nationwide, rather than being determined by the Company. Nevertheless, he noted the shareholder's concern and explained that the minimum charge ensures that consumers continue to have access to a ready and reliable water supply whenever required.

In conclusion, the YAB Chairman reiterated that the Company remains committed to strengthening the resilience and sustainability of Penang's water supply system through the progressive replacement of ageing pipelines, the installation of leak detection technologies and sensors, and the implementation of long-term infrastructure improvement projects. He thanked the shareholder for the constructive feedback and assured the Meeting that the concerns raised would be duly noted.

4. <u>Response on Strategic Growth and Operational Sustainability</u>

A shareholder, Mr. Ooi Chieng Sim ("**Mr. Ooi**"), expressed his appreciation to the Board, Management and employees for their continued efforts in ensuring a reliable water supply and acknowledged PBA's significant role in supporting the State's economic and social development.

The shareholder shared several suggestions for the Board's consideration with the objective of enhancing the Company's long-term profitability, operational efficiency and shareholder value, as summarised below:

i. Enhancement of Shareholder Returns

- Suggested that the Board place greater emphasis on strategies to improve earnings and profitability to support sustainable dividend growth.
- Recommended strengthening operational efficiency and reducing unnecessary expenditure to enhance shareholder returns.

ii. Acceleration of Smart Meter Implementation

- Recommended the development of a comprehensive roadmap to replace conventional water meters with smart meters across the State.
- Noted that digitalisation of the metering system could reduce dependence on manual processes, lower operating costs and improve service quality.

iii. Modernisation of Water Infrastructure

- Proposed that future pipeline replacement programmes incorporate smart technologies, including digital monitoring systems, pressure sensors and leak detection technology.
- Highlighted that an integrated intelligent water distribution network could reduce non-revenue water, minimise maintenance costs and improve operational efficiency.

iv. Review of Cost Structure and Board Effectiveness

- Suggested that the Board periodically review the Company's cost structure and evaluate whether the current Board composition remains appropriate in supporting the Company's growth, innovation, operational efficiency and shareholder returns.

v. Monetisation of Existing Assets

- Recommended that the Company explore opportunities to generate recurring income from underutilised assets and PBA-owned recreational properties, including through the development of movable cabins, retail kiosks and food and beverage outlets.
- Commented that such initiatives could diversify the Company's income sources, create additional revenue streams and enhance the value of existing assets.

The shareholder concluded by expressing his continued support for initiatives that strengthen PBA's long-term competitiveness, profitability and shareholder value, and looked forward to the Board's views on the proposals raised.

The YAB Chairman thanked Mr. Ooi for the constructive suggestions and acknowledged that the proposals relating to dividend growth, enhancement of shareholder returns, deployment of digital technologies, smart water operations and diversification of income streams were valuable and aligned with the Company's long-term strategic objectives.

The YAB Chairman informed the Meeting that these matters are continuously deliberated by the Board and Management, who assess and implement appropriate initiatives to ensure that the Company remains resilient and well-positioned to address future challenges. He noted that while the Company has consistently pursued operational improvements, the water supply industry presents unique challenges, particularly as the Company has no control over the State's raw water resources.

The YAB Chairman further shared that the Company has been actively leveraging technology and digitalisation, including the implementation of smart meters and other smart water management initiatives, to enhance operational efficiency and service delivery. He added that the Company's strong credit standing has enabled it to secure access to capital funding to support the implementation of these infrastructure and technology projects.

The YAB Chairman emphasised that the Company must maintain a prudent balance between investing in long-term infrastructure and ensuring financial sustainability. Although the Company records healthy profits, substantial capital expenditure is required to maintain, replace and upgrade ageing water infrastructure. Accordingly, careful financial management remains essential to safeguard the Company's long-term viability.

In closing, the YAB Chairman reaffirmed the Company's commitment to continuously improving its operations and service standards while striving to remain a leading water operator for the benefit of the State and its stakeholders. He thanked Mr. Ooi for the suggestions and proceeded to invite further questions from the shareholders.

5. Inadequate Complaint Reporting Mechanism and Non-Revenue Water Discussion

Mr. Wong Loy Ming ("**Mr. Wong**"), a shareholder, raised concerns regarding the responsiveness of the PBA in addressing reported water leaks, stating that delays in repair work were not isolated incidents. He asserted that there were multiple occasions where PBA took approximately two to three weeks to attend to and repair leak reports. He further indicated that this assertion could be substantiated through records in the PBA's records, which documented both the reporting dates and the corresponding repair dates carried out by PBA.

Mr. Wong further elaborated on the practical difficulties faced by public when attempting to report leaks. He questioned the requirement imposed by the call centre for complainants to provide a water account number when submitting reports. He emphasized that public reporting leaks on roads or locations far from their residence would not typically have their water account numbers readily available, making it impractical and discouraging for public reporting.

He cited a personal experience in which he reported a leak located at Northern Street while his residence was in Dato Keramat. According to him, the call centre declined to proceed with the report on the basis that a water account number was not provided, thereby hindering the identification and processing of the complaint. He expressed the view that such a requirement was unreasonable, as the leak being reported was unrelated to the reporter's own water supply connection.

Mr. Wong stressed that the current reporting procedure effectively discourages public participation in reporting leaks, which undermines efforts to reduce non-revenue water ("**NRW**"). He urged that the reporting process be simplified to encourage greater public involvement, particularly for leaks observed in public areas, regardless of the complainant's account details.

In response, it was noted by Management that the requirement for account details is intended to facilitate identification and processing of reports. However, YAB Chairman acknowledged the concern raised and agreed that the issue should be reviewed seriously, particularly in relation to improving public reporting accessibility and operational efficiency.

The discussion also touched on the NRW situation, with reference to the current NRW level of approximately 28%, which remains below the national average of 32% but above the target level of 25%. It was noted that significant reduction in NRW would require substantial investment, estimated at approximately RM1.9 billion, and that improvements would be gradual and ongoing rather than immediate.

6. Revenue Composition and Water Conservation as a Commercial Strategy

Mr. Hooi Kean Seong ("**Mr. Hooi**"), a shareholder, referred to page 27 of the Annual Report 2025, which presented the number of consumers from 2020 to 2025. He enquired whether the Company had data or a chart comparing the revenue contribution from domestic and non-domestic consumers, noting that while the number of non-domestic consumers was relatively small compared to domestic consumers, it would be useful for shareholders to understand the respective revenue contributions of each customer segment. He suggested that such information be included in future annual reports if it was not currently available.

Mr. Hooi further shared his views on water conservation from a demand and supply perspective. He observed that where there was demand for water and consumers were willing to pay the associated cost, water supply should be made available. He cited Singapore as an example, noting that it did not discourage higher water consumption provided consumers were prepared to bear the cost. He commended the Company's efforts to secure additional water resources and suggested that, should demand continue to increase in the future, alternative sources such as desalination plants could be explored. While acknowledging that desalination involved high production costs, he opined that such investments could be justified if consumers were willing to pay the corresponding tariff.

In response, YAB Chairman thanked Mr. Hooi for highlighting the challenges faced by the Company in balancing financial sustainability with its public service obligations. He explained that domestic consumers accounted for approximately 40% of the Company's revenue, while non-domestic consumers contributed approximately 60%, despite the latter representing a significantly smaller proportion of the total consumer base. He attributed this to the higher tariff applicable to non-domestic consumers, which generated a higher revenue yield.

The YAB Chairman further explained that the Company's current water production cost was approximately RM1.47 per cubic metre, whereas the tariff charged to domestic consumers remained substantially below cost at RM0.62 per cubic metre, increasing to RM0.65 per cubic metre under the revised tariff. As such, domestic water supply continued to be subsidised. He noted that the subsidy was funded through the higher tariffs imposed on non-domestic consumers, with tariffs ranging from RM1.93 per cubic metre for the lower consumption band to RM2.31 per cubic metre for higher consumption levels, both of which exceeded the production cost.

The YAB Chairman emphasised that many consumers were unaware that domestic water tariffs remained significantly below the actual cost of production. He reiterated that maintaining affordable water tariffs for domestic consumers formed part of the Company's public service responsibility, while ensuring that tariffs for non-domestic consumers remained reasonable to achieve a sustainable balance between affordability, cost recovery and the Company's long-term financial viability.

7. Feedback on Call Centre Operations and Long-Term Water Supply Sustainability

Encik Rizaudin Bin Abdul Wahab ("**Encik Rizaudin**"), a shareholder raised two (2) suggestions for the Board's consideration.

i. Call Centre Outsourcing and Customer Service Quality

Encik Rizaudin expressed concern over the outsourcing of the Company's call centre operations to personnel from Telekom Malaysia, noting that the call centre had previously been managed by the Company's own staff. He opined that the outsourced personnel were not sufficiently trained in water-related matters and, as a result, might not be able to effectively address customers' enquiries. Accordingly, he suggested that the Company consider bringing the call centre operations back in-house to enhance the quality and effectiveness of customer service.

In response, the Chairman acknowledged Mr. Rizaudin's concern regarding the outsourced call centre operations and informed shareholders that the Company would review the existing outsourcing arrangements to assess their effectiveness and service quality.

ii. Long-Term Water Supply Security and Alternative Water Sources

Secondly, the shareholder expressed concern over the State's long-term water security. Referring to the Chairman's earlier remarks on the extension of the Memorandum of Understanding ("**MOU**") relating to the proposed water supply project, he questioned the progress of the initiative, noting that no physical works had commenced. He expressed scepticism that the proposed water supply agreement would materialise and opined that reliance on neighbouring states for additional raw water resources remained uncertain, particularly in view of the prevailing political environment.

The shareholder urged the Company to accelerate planning for alternative water sources, particularly desalination, emphasising that water infrastructure projects required long-term planning and could not be implemented at the last minute. Referring to the Company's desalination pilot plant in Pulau Aman, he acknowledged that desalinated water was more costly to produce but stressed that water was an essential resource for both the population and economic development. He encouraged the Company to take proactive measures to safeguard Penang's future water supply and to prioritise long-term solutions.

In response, YAB Chairman clarified that the MOU, which was originally signed in November of the previous year for a six-month period, had been extended until 3 July 2026 to facilitate the finalisation of the definitive agreement. He informed shareholders that both parties were still evaluating the draft agreement with the assistance of appointed legal advisers, and that the tentative signing date had been scheduled for the end of June 2026, subject to the completion of all necessary documentation.

The Chairman explained that the execution of the agreement would represent only the initial stage of the overall project, as implementation would also require the construction of the proposed reservoir at Chenderoh Dam in Upper Perak, which would be financed by the Federal Government. He assured shareholders that the Company would provide further updates and disclose the key terms of the definitive agreement once finalised.

With regard to desalination, the Chairman acknowledged that the Company had recently revived the small-scale desalination pilot plant at Pulau Aman after a period of inactivity to continue evaluating the technology as a potential alternative source of treated water. He noted that while desalination remained a viable long-term option, the technology involved significant operational costs and required careful assessment of its economic and technical feasibility.

The YAB Chairman further explained that the Company's immediate priority remained the optimisation and development of available surface water resources within Penang, including several potential raw water source projects currently under evaluation, together with the proposed Perak–Penang Water Supply Scheme. He observed that, as a country with abundant rainfall, Malaysia should continue to maximise its natural water resources through improved storage and water resource management before relying extensively on desalination.

Nevertheless, YAB Chairman acknowledged that Penang's limited indigenous raw water resources and continued dependence on neighbouring states meant that desalination could become an important component of the State's long-term water supply strategy. He assured shareholders that the Company had not ruled out desalination and continued to evaluate it seriously as a strategic option to strengthen Penang's long-term water security.

There being no further enquiries from the shareholders, and after addressing the matters raised, the Meeting proceeded to the next item of business as set out in the Notice of Meeting.

AGENDA 2: ORDINARY RESOLUTION 1 - PAYMENT OF A FINAL DIVIDEND OF 2.75 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The YAB Chairman informed that the second agenda item was to approve a final dividend of 2.75 sen per ordinary share for FY2025. A first interim dividend of 2.25 sen per ordinary share was paid on 2 January 2026. Subject to shareholder approval, the final dividend would be paid on 24 July 2026 to shareholders on the Record of Depositors as of 2 July 2026.

This motion was then put to vote by poll and the result of the poll was tabulated and displayed on the screen as follows:

Ordinary Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
1	238,105,679	99.9882	28,200	0.0118

As the requisite majority of votes has been obtained for Ordinary Resolution 1, YAB Chairman declared that the declaration of a final dividend of 2.75 sen per ordinary share for FY2025 be hereby approved.

AGENDA 3 & 4: ORDINARY RESOLUTIONS 2 AND 6: RE-ELECTION OF DIRECTORS

The Meeting noted that in accordance with Regulation 121 of the Constitution of the Company, the following Directors were due for retirement at the Meeting:

i) YAB Tuan Chow Kon Yeow; and
ii) YB Dato' Dr. Mohamad Bin Abdul Hamid.

The YAB Chairman informed that YBhg. Dato' Agatha Foo Tet Sin, retiring by rotation under Regulation 121 of the Constitution of the Company, has notified the Board of her decision not to seek for re-election as a Director of the Company. Accordingly, she will retire upon the conclusion of this AGM. On behalf of the Board, the Chairman expressed sincere appreciation for her dedicated service to the Board and the Company.

The Meeting also noted that in accordance with Regulation 119 of the Constitution of the Company, the following Directors were due for retirement at the Meeting:

i) YB Dato' Haji Zairi Bin Haji Mat Ali;
ii) YM Raja Azmi Bin Raja Nazuddin; and
iii) YBhg. Dato' Ir. Sabri Bin Abdul Mulok.

Pursuant to Regulation 122(2) of the Company's Constitution, the re-election of each retiring Director was required to be voted on individually. Accordingly, the motion for the re-election of each retiring Director was tabled separately for the Meeting's consideration.

Ordinary Resolutions 2 to 6 were put to vote by way of poll on an individual basis. The results of the poll were tabulated and displayed on the screen, as summarised below:

Ordinary Resolution	Motion	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
2	Re-election of YAB Tuan Chow Kon Yeow as Director of the Company	238,020,329	99.9600	95,200	0.0400
3	Re-election of YB Dato' Dr. Mohamad Bin Abdul Hamid as Director of the Company	237,914,574	99.9549	107,300	0.0451
4	Re-election of YB Dato' Haji Zairi Bin Haji Mat Ali as Director of the Company	237,896,874	99.9410	140,500	0.0590

5	Re-election of YM Raja Azmi Bin Raja Nazuddin as Director of the Company	237,804,379	99.8928	255,100	0.1072
6	Re-election of YBhg. Dato’ Ir. Sabri Bin Abdul Mulok as Director of the Company	237,837,974	99.9038	229,000	0.0962

As the requisite majority of votes had been obtained for Resolutions 2 to 6, the YAB Chairman declared that all the retiring Directors, namely YAB Tuan Chow Kon Yeow, YB Dato’ Dr. Mohamad Bin Abdul Hamid, YB Dato’ Haji Zairi Bin Haji Mat Ali, YM Raja Azmi Bin Raja Nazuddin and YBhg. Dato’ Ir. Sabri Bin Abdul Mulok, were duly re-elected as Directors of the Company.

AGENDA 5: ORDINARY RESOLUTION 7:
PAYMENT OF BENEFITS PAYABLE TO DIRECTORS UNDER SECTION 230(1)(b) OF THE ACT

The YAB Chairman stated that Agenda Item 5 was to consider and, if deemed appropriate, approve Directors' benefits of up to RM1,100,000.00 for the period from 17 June 2026 until the next AGM, in accordance with Section 230(1)(b) of the Act.

Before the resolution was put to vote, the following question was raised from the floor.

Mr. Jackson Tan noted that the proposed Directors' fees and benefits payable of up to RM1.1 million represented an increase of approximately 69% compared to the previous financial year. He further highlighted that the Chairman's monthly allowance had increased by approximately 67% to RM5,000, while the Independent Non-Executive Directors' meeting allowance had increased by approximately 122%. The shareholder requested the Board, particularly the Chairman of the Nomination and Remuneration Committee (“**NRC**”), to provide the basis and justification for the proposed increase in the Directors' fees and benefits.

In response, the YAB Chairman, with the concurrence of the NRC Chairman, explained that the proposed revision was based on an internal benchmarking exercise, which indicated that the Company's existing Directors' remuneration was significantly below the prevailing market range for companies of comparable size and nature. He stated that the proposed increase was intended to ensure that the Company's remuneration framework remained competitive and aligned with industry practices. He further explained that the enhanced remuneration also reflected the increasing responsibilities, risks, and fiduciary duties undertaken by the Directors.

This motion was then put to vote by poll and the result of the poll was tabulated and displayed on the screen as follows:

Ordinary Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
7	237,514,529	99.7710	545,100	0.2290

As the requisite majority of votes has been obtained for Resolution 7, YAB Chairman declared that the payment of benefits payable to the Directors up to an amount of RM1,100,000.00 for the period from 17 June 2026 until the next AGM be hereby approved.

AGENDA 6: ORDINARY RESOLUTION 8: RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The YAB Chairman informed that Agenda Item 6 was to re-appoint Messrs. KPMG PLT as the Auditors of the Company until the next AGM and to authorise the Directors to fix their remuneration. It was noted that Messrs. KPMG PLT had expressed their willingness to continue in office.

This motion was then put to vote by poll and the result of the poll was tabulated and displayed on the screen as follows:

Ordinary Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
8	236,045,879	99.1496	2,024,550	0.8504

As the requisite majority of votes has been obtained for Resolution 8, YAB Chairman declared that the re-appointment of Messrs. KPMG PLT as Auditors of the Company be hereby approved.

SPECIAL BUSINESS

AGENDA 7: ORDINARY RESOLUTION 9: PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF ITS ISSUED SHARE CAPITAL ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

YAB Chairman informed that the next agenda item was to consider and, if deemed appropriate, approve the Proposed Renewal of Share Buy-Back Authority, allowing the Company to repurchase up to 10% of its issued share capital, subject to prevailing regulatory requirements.

Details of the proposal were outlined in the Share Buy-Back Statement dated 30 April 2026, circulated with the Annual Report 2025.

This motion was then put to vote by poll and the result of the poll was tabulated and displayed on the screen as follows:

Ordinary Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
9	236,109,174	99.1628	1,993,500	0.8372

As the requisite majority of votes has been obtained for Resolution 9, YAB Chairman declared that the Proposed Renewal of Share Buy-Back Authority be hereby approved.

The Meeting **RESOLVED**:

THAT, subject always to the Companies Act 2016 (the "**Act**"), the Company's Constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to the fullest extent permitted by law to purchase such amount of ordinary shares in the Company ("**PBAHB Shares**") from time to time through Bursa Securities upon such terms and conditions ("**Proposed Share Buy-Back**") as the Directors may deem fit and expedient in the interest of the Company, provided that:

i) the aggregate number of PBAHB Shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as treasury shares (if any);

ii) the maximum funds to be allocated by the Company for the purpose of Proposed Share Buy-Back shall not exceed the aggregate of retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase, upon such terms and conditions as set out in the Statement to Shareholders dated 30 April 2026;

THAT the authority conferred by this resolution shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following this AGM at which such a resolution was passed, at which time it will lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of PBAHB Shares before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities;

THAT upon completion of the purchase(s) of the PBAHB Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the PBAHB Shares purchased in their absolute discretion, either to cancel PBAHB Shares so purchased or to retain PBAHB Shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or transfer PBAHB Shares or any of PBAHB Shares as purchase consideration and/or cancel all or part of PBAHB Shares, or to retain part of PBAHB Shares so purchased as treasury shares and/or subsequently cancelled, or to retain part of PBAHB Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, the requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations issued by other relevant authority for the time being in force;

AND THAT the Board of Directors ("Board") be and is hereby authorised to take all such steps as necessary or expedient to implement, finalise, complete or to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time or as the Board may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company.

AGENDA 8: ORDINARY RESOLUTION 10: MANDATE FOR YBHG. DATO' BRIAN TAN GUAN HOOI WHO HAS SERVED AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY FOR A CUMULATIVE TERM OF MORE THAN NINE (9) YEARS TO CONTINUE TO ACT AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

The Meeting noted that YBhg. Dato' Brian Tan Guan Hooi has served as an Independent Non-Executive Director for over nine (9) years, and a resolution to retain him in this role, in line with the Malaysian Code on Corporate Governance, was tabled for shareholder approval.

It was further noted that the Nomination and Remuneration Committee, together with the Board, had assessed his independence and recommended his continued appointment based on the justifications outlined in Explanatory Note 8 of the Special Business in the Notice of the 26th AGM.

The motion was then put to vote by poll using the two-tier voting process. The results were tabulated and displayed on the screen as follows:

Ordinary Resolution	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
10 – Tier 1	182,050,001	100.0000	-	-
10 – Tier 2	48,464,528	86.5331	7,542,400	13.4669

With the requisite majority obtained through the two-tier voting process for Resolution 10, YAB Chairman declared that the mandate to retain YBhg. Dato' Brian Tan Guan Hooi as Independent Non-Executive Director of the Company be hereby approved.
The Meeting **RESOLVED**:

THAT approval be and is hereby given to YBhg. Dato' Brian Tan Guan Hooi, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of next AGM of the Company.

AGENDA 9: ANY OTHER ORDINARY BUSINESS APPROPRIATE TO AN ANNUAL GENERAL MEETING

It was noted that the Company did not receive any notice of other business that to be transacted at the Meeting.

TERMINATION

The YAB Chairman thanked the shareholders and proxies for their participation and support and concluded the Meeting at 11:48 am.

Confirmed as a correct record,

- SIGNED -

YAB CHOW KON YEOW
Chairman